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C O N F I D E N T I A L SECTION 01 OF 03 BRASILIA 000660

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TAGS: [PREL](#) [BR](#)

SUBJECT: BRAZIL: AMBASSADOR'S 9 MARCH MEETING WITH ACTING
FM GUIMARAES

REF: A. BRASILIA 574

[B](#). STATE 35934

[C](#). STATE 18160

[D](#). BRASILIA 564

[E](#). BRASILIA 134

Classified By: AMBASSADOR JOHN J. DANILOVICH. REASONS: 1.4 (B)(D)

[1](#). (C) Introduction: Ambassador met one-on-one on 9 March with Acting Foreign Minister Samuel Pinheiro Guimaraes (FM Amorim is in Africa). Guimaraes, as Secretary General of the Ministry of External Relations (MRE), is D equivalent, often acting as minister during Amorim's frequent travels abroad, and he exercises broad influence over foreign and trade policy as well as internal MRE management. This was the first extended meeting between Ambassador and Guimaraes (earlier appointments were thwarted by repeated postponements) and came at Guimaraes' initiative. End introduction.

[2](#). (SBU) Ambassador opened the discussion by noting that we understood that FM Amorim would not be able to meet with Secretary Rice on 31 March in Washington, owing to Amorim's

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participation around that date in the Brazil-Colombia-Venezuela-Spain meeting in the Amazon frontier region. Guimaraes indicated Amorim's strong interest in building a close working relationship with the Secretary, and expressed the hope that the Secretary could

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visit Brasilia in April for an in-depth discussion with Amorim en route to or from the Santiago Community of Democracies meeting. He also was enthusiastic about her visiting another location in Brazil and offered as an option a stop by the Secretary at the Embraer aircraft manufacturer in Sao Jose dos Campos, Sao Paulo state, and in the presence of the Ambassador, Guimaraes telephoned Embraer President Botelho directly, who responded enthusiastically to the idea. (Note: Embraer is one of the world's largest aircraft manufacturers. Over 500 U.S. companies supply Embraer, which recently won a surveillance aircraft contract with the U.S. Army and plans a manufacturing facility in Jacksonville, Florida. Guimaraes also suggested a visit to the world's largest sugar refinery in Riberao Preto, Sao Paulo. End note.)

[3](#). (SBU) Ambassador seized on the discussion of a possible Amorim-Secretary meeting to emphasize the importance of greater coordination and consultation between the USG and GOB. Ambassador stressed that although the governments will not always agree on means or ends, both countries can benefit from a bilateral dialogue on key issues that is continuous and forward-looking, rather than reactive and event-driven. In that context Ambassador engaged Guimaraes on the following issues:

South America-Arab Summit

[4](#). (C) Ambassador reviewed themes from ref b, noting that FM Amorim's recent Middle East visit had raised some concern in Washington and that the USG is worried that the May 10 South America-Arab summit in Brasilia could well produce political statements that will undermine the peace process and the work of the Quartet at an extremely delicate and promising moment (refs a-d). Guimaraes responded that the GOB does not want to "create any problems" for the peace process and, while the GOB cannot control what delegations might say, it will "make sure" that the official statement from the meeting "uses language that is acceptable to you and the international community." Guimaraes noted that Brazil has a large Arab population which co-exists harmoniously with Brazil's Jewish community, and for that reason as well the GOB intends to produce a balanced and non-provocative statement from the summit.

Defense Cooperation Agreement

[5](#). (C) Noting the upcoming visit to Brazil of Secretary of Defense Rumsfeld, Ambassador asked Guimaraes about the status of GOB consideration of a defense cooperation agreement with the U.S. Guimaraes' reaction was not encouraging. He

stressed political sensitivities in Brazil's congress and on its far left to what could be perceived as a military pact with the U.S. Ambassador rejoined that the DCA would focus on operational and bureaucratic issues in the military-to-military relationship, serving to enhance and normalize activities in which the two militaries already engage. Guimaraes accepted that was the nature of the accord and said the GOB values its military's relationship with the U.S., but he again emphasized political sensitivities as Brazil nears the period of its general election campaigns for 2006 and Lula begins planning his re-election effort. (Note: A working level MRE contact responsible for his ministry's involvement with the SecDef visit and the DCA issue told PolCouns on 4 March that the GOB will not provide a formal DCA draft text to the USG for consideration until well after the SecDef visit, if then, and the MRE prefers that there be no mention of DCA negotiations in any joint statement during the SecDef visit. We do not know yet if this view has the consent of the Defense Ministry and Minister Alencar, who have been proactive in suggesting to us the possibility of negotiating a DCA. End note.)

Property Issues

16. (SBU) On this point (see ref e for fuller explanation of this issue) Guimaraes seemed forward-leaning and engaged, stressing that he wants to work with the USG to find a solution to the INSS debt question for the U.S. Mission in Brazil that will free the USG to sell its properties in Brazil, and in turn, unblock the opening of Brazil's new consulate in Atlanta. Guimaraes said that he is only awaiting the possible change of ministers at the health ministry in a cabinet shuffle expected this week before contacting the new minister to seek a plan for addressing the INSS social security debt of the U.S. Mission, and when he has that information in hand, Guimaraes said he would provide a letter to the Ambassador outlining next steps.

Venezuela and Bolivia

17. (C) Ambassador observed that there is a danger that some observers may incorrectly but inexorably start to judge the nature and intentions of all of South America's left-leaning governments by the rhetorical excesses and questionable actions (e.g., purchase of 100,000 AK-47 assault rifles) of Hugo Chavez. In that sense Brazil's image could suffer unfairly. Guimaraes replied the USG should worry less about Chavez, that we should "pay less attention to his mouth than to his hands" (i.e., judge his real direction less on his fiery rhetoric than on his policies, which Guimaraes seemed to believe remain largely pragmatic). On Bolivia, Guimaraes opined that President Mesa's successful resignation gambit had averted a crisis and reinforced Mesa politically, hence now there is a possibility for a period of relative calm.

18. (C) Guimaraes also held forth at some length on the challenges for development in Brazil, a country where (he said) only 9 percent of resources are fully known or exploited, and where 60 percent of the territory is Amazon jungle that is also unknown and impenetrable, but which could well be the location of other valuable resources. The country's rapidly growing population and the radical extremes between Brazil's high level of technological development and industrialization in some areas, vice the grinding poverty still seen throughout the country argue for a national strategic policy plan for development, Guimaraes said. Various policy positions in Brazil, including its approach to some areas of intellectual property rights (e.g., in health and pharmaceuticals) should be seen in the context of a country trying to perform the "balancing act" between rapid development and attending to the plight of its poor, he added.

19. (C) Comment. Guimaraes rambled philosophically over some points, and was rather superficial on others (per above). But in this instance, the meeting was, to a great extent, the message: Guimaraes sought the Ambassador out for this genial, hour-plus discussion, and despite the postponements, stressed that he was pleased to have the chance to talk and establish a direct channel. This is a significant development, given Guimaraes' reputation for leftist-nationalist views -- attitudes that we and many Brazilian critics contend often color the MRE's conduct of foreign and commercial policy. Our sense is that recent, strong expressions of concern by Ambassador and in Washington to senior GOB officials about a lack of sufficient consultation in our bilateral relations is starting to register (refs a-b). In the coming weeks we are scheduling meetings with Lula's foreign affairs advisor, Marcos Aurelio Garcia, and with presidential chief of staff Jose Dirceu, and we will be looking ahead to productive visits by Secretary Rumsfeld and possibly Secretary Rice in the near future. We are making it clear to the GOB that we are actively seeking to improve communication at various levels, and that the river will flow both ways if they will reach out to us.

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